Attorney Docket No.: CAM920115013US3 (8150-0168) **PATENT**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of	:	Customer Number: 52021
Christopher BERGH et al.	:	Confirmation Number: 1521
Application No.: 09/575,283	:	Group Art Unit: 3624
Filed: May 22, 2000	:	Examiner: J. Loftis
Appeal No. 2011-000757	:	

For: CUSTOMER LEAD MANAGEMENT SYSTEM

PETITION UNDER 37 C.F.R. § 41.3

Chief Administrative Patent Judge
Board of Patent Appeals and Interferences
US Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This Petition seeks review of a procedural error in the Board's Decision on Request for Rehearing dated December 4, 2012, in which the Board denied Appellants' request that certain rejections be designated a new grounds of rejection pursuant to 37 C.F.R. § 41.50(b).

ISSUE PRESENTED

The issue presented is whether the Board erred in failing to designate a ground of rejection as a "new ground" under 37 C.F.R. § 41.50(b) when

(i) the Board, in the Decision on Appeal, relied upon new claim constructions that differ from the claim constructions presented by the Examiner; and

(ii) the Board, in the Decision on Appeal, relied upon findings as to "common sense" when the Examiner did not rely upon such findings in the appealed Office Action.

JURISDICTION

On May 31, 2012, the Board entered a Decision on Appeal affirming the Examiner's rejection of claims 29-51 under 35 U.S.C. § 103. On July 30, 2012, Appellants filed a Request for Rehearing under 37 U.S.C. § 41.52. In the Request for Rehearing, Appellants asserted that the Board either misapprehended and/or overlooked certain arguments presented by Appellants in the Appeal Brief of May 10, 2010, and in the Reply Brief of August 11, 2010. Appellants also requested that the Board enter a new ground of rejection pursuant to 37 C.F.R. § 41.50(b).

On December 4, 2012, the Board entered a Decision on Request for Rehearing in which the Board disagreed that the Board either misapprehended and/or overlooked certain arguments presented by Appellants in the Appeal Brief and in the Reply Brief. The Board also denied Appellants' request that a new ground of rejection be designated pursuant to 37 C.F.R. § 41.50(b).

The issue of whether or not a decision by the Board constitutes a new grounds of rejection involves the question as to whether or not the Board followed the regulations of the Patent Office, and a review of this issue is a proper exercise of supervisory authority. See In re Oku, 25 USPQ2d 1155 (Comm'r Pat. 1992) ("[t]he designation of a new ground of rejection … involves the important question of whether the Board followed PTO regulations established by the Commissioner [and] the Commissioner may exercise his supervisory authority on petition"). Moreover, failure to designate a new grounds of rejection involving manifest error of the Board can be addressed by petition. Id.

This Petition is timely filed within 14 days of the Decision on Request for Rehearing pursuant to 37 C.F.R. § 41.3(e).

STATEMENT OF LAW

In the decision of In re Stepan Co., __ F.3rd __ (Fed. Cir. 2011), the Federal Circuit stated the following:

> First, the PTO's regulatory interpretation is due no deference in view of the agency's statutory obligation under the Administrative Procedure Act ("APA") to provide prior notice to the applicant of all "matters of fact and law asserted" prior to an appeal hearing before the Board. 5 U.S.C. § 554(b)(3). Allowing the Board unfettered discretion to designate a new ground of rejection—when it relies upon facts or legal argument not advanced by the examiner—would frustrate the notice requirements of the APA. *See Dickinson v. Zurko*, 527 U.S. 150, 154 (1999) (stating that the PTO is an agency subject to the APA). (emphasis added)

As clearly described therein, the reliance upon facts or legal arguments not advanced by the Examiner constitutes a new grounds of rejection. See also In re Leithem, __ F.3rd __ (Fed. Cir. 2011) ("[m]ere reliance on the same statutory basis and the same prior art references, alone, is insufficient to avoid making a new ground of rejection when the Board relies on new facts and rationales not previously raised to the applicant by the Examiner") (emphasis added).

An example of a "new grounds of rejection" was identified by the Federal Circuit within In re Kumar, 418 F.3d 1361, 1365 (Fed. Cir. 2005). A Final Office Action was issued in which claims 1-3, 5-16, and 19-22 were rejected under 35 U.S.C. § 103 based upon Rostoker alone or in view of Ueda. The Board subsequent affirmed the Examiner's rejection based upon findings of fact (i.e., calculations) that were not presented by the Examiner. With regard to these new findings of fact, the Federal Circuit determined:

> These calculations had not been made by the examiner, and according to the record were not presented during the argument of the appeal to the Board. The Board apparently made these calculations during its decision of the appeal. The Board included these calculations in an Appendix to its decision, holding that they

> support a *prima facie* case of obviousness and that Kumar's evidence had not rebutted the *prima facie* case.

In addressing rebuttal evidence that was presented (and refused consideration) in response to the Board's findings, the Federal Circuit further stated:

> The values identified by the Board's calculations were not contained in the prior art or any examination record, but appeared for the first time in the Board's opinion. Although the PTO argues that the calculations the Board included in its decision were not new evidence, but simply an additional explanation of the Board's decision, these values produced and relied on by the Board had not previously been identified by the examiner or the Board. Kumar was entitled to respond to these calculations, and the Board committed procedural error in refusing to consider the evidence proffered in response.

In quoting In re Kronig, 539 F.2d 1300, 1302 (CCPA 1976), the Federal Circuit within Kumar stated "the ultimate criterion of whether a rejection is considered 'new' in a decision by the board is whether appellants have had fair opportunity to react to the thrust of the rejection." The Federal Circuit concluded that "the Board's calculations and its decision based thereon constituted a new ground of rejection." Thus, the introduction of new findings, even though these findings related to a previously-presented rejection, constituted a new grounds of rejection.

Referring In re DeBlauwe, 736 F.2d 699, 706 n.9 (Fed. Cir. 1984), the Federal Circuit further stated "[w]here the board makes a decision advancing a position or rationale new to the proceedings, an applicant must be afforded an opportunity to respond to that position or rationale by submission of contradicting evidence").

In response to the Board denying a request that the Board designate a rejection as "new" and allow new evidence to be introduced, within In re Ansel, 852, F.2d 1294 (Fed. Cir. 1988) (designated as an Unpublished Disposition), the Federal Circuit stated:

> We cannot agree with the board that its reasoning does not represent a significant shift in the basic thrust of the rejection. Not only do the rejections at issue here represent different views of what the cited references teach, they also require the applicants to respond in quite different manners.

The Board has also previously held that a new claim construction constitutes a new grounds of rejection. Ex parte Agapi, Appeal No. 2009-005273 (November 19, 2010) (non-precedential) ("Appellants have not had a fair opportunity to argue the issues with respect to our claim interpretation nor has the Examiner had the opportunity to consider the claimed invention as interpreted by us"); Ex parte Adams, Appeal No. 2009-008619 (September 2, 2010) (non-precedential) (designating a new grounds of rejection based upon an "unreasonable claim construction" by the Examiner that was subsequently re-construed by the Board); Ex parte Sanders, Appeal No. 2009-011895 (June 28, 2010) (non-precedential) ("in the interest of fairness to Appellants, we have vacated the Examiner's rejection and enter the new grounds of rejection based on the above claim interpretation").

ARGUMENT

1. The Board's Reliance on New Claim Constructions Constitutes a New Grounds of Rejection

On pages 9 and 10 of the Appeal Brief, Appellants presented arguments that "Anderson does not teach that a plurality of rules includes global rules and user specific rules." In the last full paragraph on page 6 of the Decision on Appeal, the Board presented the following **new** claim constructions:

> We construe global rules to be those such as is disclosed in Anderson as prospect demographics rules which use independent explanatory variables and thus are global in nature. We further construe specific rules as the disclosed dependent, business variables in Anderson which use historical data collected through past marketing campaigns. (emphasis added)

These claim constructions are not consistent with how the Examiner interpreted the language of the claims. For example, referring to page 11 of the Examiner's Answer, the Examiner asserted the "[w]hile the rules may be labeled as 'global' and 'user specific', these are simply labels that are not given weight" (emphasis added). Thus, the Examiner found no difference between the two claimed rules, which is very different from how the Board has treated the claim language.

Board's Response

The above-reproduced arguments (incorporated herein) were previously presented on page 2, lines 3-17 of the Request for Rehearing. The Board's initial response to these arguments is found on page 4 of the Decision on Request for Rehearing and reproduced below.

> As to the Appellants' request that the Board designate its rationale as a new grounds of rejection because the Board's reasoning necessarily requires a claim construction that the Appellant did not have the opportunity to respond (see Request 2-3). The criterion of whether a rejection is considered "new" in a

> decision by the Board is whether Appellant has had a fair opportunity to react to the thrust of the rejection. *In re Kronig*, 539 F.2d1300, 1303 (CCPA 1976). In this case, we find that the Appellants did have the opportunity to make the argument to the lack of construction to the two rule types but failed to make it in their Brief.[1]

Appellants respectfully submit that the Board has misstated the issue at hand.

The issue at hand is whether or not the Board's claim construction differed from the Examiner's claim construction so as to generate a new grounds of rejection – not whether Appellants had an opportunity to respond to the Examiner's claim construction. As already noted above, in the Examiner's Answer, the Examiner presented (for the first time) a claim construction in which the terms "global" and "user specific" were not given patentable weight. Hence, the Examiner interpreted the phrases "global rules" and "user specific rules" as simply "rules."

The Board, however, took a different approach than the Examiner with regard to the claim interpretations. While the Examiner did not distinguish between "global rules" and "user specific rules," the Board presented a claim construction that distinguished between "global rules" and "specific rules."[2] Specifically, the Board construed "global rules" to be "prospect demographics rules which use independent explanatory variables and thus are global in nature" and construed "specific rules" to be "dependent, business variables in Anderson which use historical data collected through past marketing campaigns." Thus, the Board's interpretation

[1] The Board's assertion that Appellants failed to make certain arguments in the Brief is misleading. The Examiner did not provide an explicit claim construction for the claimed "global rules and user specific rules" in the appealed Office Action dated July 9, 2009. On pages 9 and 10 of the Appeal Brief, Appellants argued that Anderson failed to teach the claimed "global rules and user specific rules." It was not until the Examiner's Answer that the Examiner actually presented an explicit claim construction for these terms. Appellants specifically addressed the Examiner's newly presented claim constructions on page 2 of the Reply Brief.

[2] As argued in the Request for Rehearing, the Board's claim construction omitted the term "user" from "user specific rules."

differed from the Examiner's interpretation. While Appellants had the opportunity to address the Examiner's claim construction, Appellants did not have the opportunity to respond to the Board's claim construction.

On page 5 of the Decision on Request for Rehearing, the Board further responded as follows:

> Thus Appellants had the opportunity to argue the failure to assign weight to each of the terms, but did not do so until the Request which we do not find timely because the issue was present before Appellants at the time the Brief was written. Thus, Appellants were given a fair opportunity to respond to the Examiner's rejection of the actually recited limitation, but instead chose to present an argument direct to a limitation not recited. Since the Appellants had a fair opportunity to respond to the Examiner's rejection, we decline to designate our affirmance as a new ground of rejection under 37 C.F.R. § 41.50(b).

Notably, the Board does not refute that the Board's claim construction differed from the Examiner's claim construction. Instead, the Board argues that Appellants did not argue "failure to assign weight to each of the terms … until the Request [for Rehearing]." This statement is false. As discussed in Footnote 1, Appellants addressed, within the Reply Brief, the Examiner's newly-presented claim construction within the Examiner's Answer.

Moreover, the Board's response does not address the issue at hand, which is whether or not Appellants had the fair opportunity to address to the thrust of the rejection presented by the Board. The thrust of the Board's rejection involved an interpretation that gave these two terms two different meanings. Notably, Appellants did not have an opportunity to previously argue and present evidence that the term "user specific rule" should be properly interpreted as a "user specific rule" and not a "specific rule," as newly-interpreted by the Board. Although Appellants

addressed the Board's new claim construction within the Request for Rehearing, under 37 C.F.R. § 41.52, Appellants cannot present new evidence and/or arguments in support of Appellants' position.[3]

In order to address the Board's newly-presented claim construction, Appellants must be given an opportunity to present arguments that the term "user" within the claimed "user specific rule" cannot be ignored. Moreover, Appellants must be given an opportunity to rebut, with evidence, the Board's newly-presented claim construction. The Board's failure to designate a new grounds of rejection denies Appellants this opportunity. Moreover, Appellants respectfully submit that the Board's failure to designate a new grounds of rejection constitutes manifest error.

[3] On page 5 of the Decision on Request for Rehearing, the Board responded by stating "[w]e disagree with Appellants because just by naming a term *user specific* does not necessarily confer on the term that the rules are specific to a user as Appellants now argue" (emphasis in original). The Board further stated that Appellants' position "fails because it is not based on limitations appearing in the claims." The Board's response is entirely unreasonable. Appellants' proposed claim construction for "user specific rules" as "rules that are specific to a user" is the plain meaning of this claim language. In re Zletz, 893 F.3rd 319 (Fed. Cir. 1989) (the broadest reasonable interpretation of claim language is the plain language of the claim unless that meaning is inconsistent with the specification). On the contrary, the Board's interpretation of "user specific rule" as "specific rule" is unreasonable since it ignores/renders superfluous the term "user." Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988) (ignoring a claim term constitutes clear legal error); Stumbo v. Eastman Outdoors, Inc., 508 F.3d 1358, 1362 (Fed. Cir. 2007) (disfavoring any claim interpretation which would render a claim term superfluous).

2. The Board's New Reliance on "Common Sense" Constitutes a New Grounds of Rejection

On pages 10 and 11 of the Appeal Brief, Appellants presented arguments that "Griggs does not teach receiving feedback from at least one of the users, the feedback indicating whether the lead should be accepted, rejected or forwarded to another one of the plurality of users." In the last full paragraph on page 7 of the Decision, the Board presented the following new analysis:

> We disagree with Appellants because we find that the determination of whether a lead is hot or cold is a rating. As such, each rating has intrinsic value as a directive of how valuable the lead is, and using common sense a person with ordinary skill in the art would understand that if a lead was marked as cold it should not be acted upon nor passed on, and vice versa. We find this given that Griggs discloses assigning each lead to the appropriate salesperson or channel partner (FF 7). Thus, a viable lead would be assigned/routed until it was acted on. The application of common sense may control the combining of references. (emphasis added)

There are four issues[4] associated with the Board's analysis. The first issue is that the Board's reliance upon "common sense" is completely new. The Examiner did not rely upon "common sense" in the Examiner's Graham findings of fact regarding the scope and content of Griggs. Thus, the Board's analysis includes a new grounds of rejection to which Appellants have not had an opportunity to respond.

[4] The other three issues associated with the Board's analysis is (ii) the Board's reliance upon "common sense" is unsupported by substantial evidence; (iii) the Board's finding that "a person with ordinary skill in the art would understand that if a lead was marked as cold it should not be acted upon nor passed on, and vice versa" contradicts the Examiner's own findings of fact; and (iv) the Board's analysis ignores the actual arguments presented by Appellants. See pages 5, line 5 through page 6, line 22 of the Request for Rehearing.

Board's Response

The above-reproduced arguments (incorporated herein) were previously presented on page 4, line 10 through page 5, line 1 of the Request for Rehearing. The Board's response to these arguments is found in the first full paragraph on page 6 of the of the Decision on Request for Rehearing and reproduced below.

> We disagree with Appellants because as of the filing date of Appellant's brief (May, 10, 2010), the *KSR* decision relied on in our Decision was nearly three years old. As such, Appellants are charged with the knowledge of the applicable law during the course of their appeal.

Appellants respectfully submit that the Board's response is non-responsive.

Appellants are knowledgeable of the Supreme Court's decision within KSR Int'l Co. v. Teleflex Inc., 127 S. Ct. 1727, 1741 (2007). However, the Supreme Court's opinion with KSR is completely silent as to when new grounds of rejection should be designated or not. Although the Supreme Court stated "[r]igid preventative rules that deny recourse to common sense are neither necessary under, nor consistent with, this Court's case law," this is not an endorsement for the proposition that "common sense" can be interjected into a rejection at any time without changing the thrust of the rejection. The Supreme Court did not overrule the Federal Circuit within In re Zurko, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001), which stated "the Board cannot simply reach conclusions based on its own understanding or experience - or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings." This, however, is exactly what the Board did in the Decision on Appeal.

In response to Appellants' arguments that the Board's findings regarding "common sense" are unsupported by substantial evidence, the Board asserted the following on page 6 of the Decision on Request for Rehearing:

> We disagree with Appellants because our decision sets forth in well explained reasoning based on factual findings why a better rated lead would be acted on before and not passed off to another salesperson than a lesser rated lead as follows:
>
> [Board's citation from page 7 of the Decision on Appeal].

Notably, the Board did not state that "the Examiner's decision sets forth in well-explained reasoning based on factual findings." Instead, the Board stated that "our decision sets forth in well-explained reasoning based on factual findings" (emphasis added). The Board does not refute Appellants' arguments that the Examiner did not rely upon "common sense" in the Examiner's Graham findings of fact regarding the scope and content of Griggs. As discussed above, Federal Circuit precedent states that the reliance upon facts or legal arguments not advanced by the Examiner constitutes a new grounds of rejection.

The Board's reliance of new findings of fact not advanced by the Examiner even extends to the Decision on Request for Rehearing. In the first full paragraph on page 7 of the Decision on Request for Rehearing, the Board asserted the following:

> We are not persuaded by Appellants' argument that the Examiner found that cold leads are sent to salespeople too, and thus violates our common sense logic because what Appellants are seeking to distinguish here is human behavior, which cannot be quantified as Appellants would like to have us believe. Simply because cold leads are sent out does not diminish our finding that common sense dictates that the least acted on leads would be the cold ones as among otherwise hot or warm rated leads. (emphasis added)

Referring to the underlined portion of the above-reproduced passage, the Board presents a new finding of fact regarding the nature of human behavior. Not only is this finding completely new to the proceedings, the Board's "finding" neglects that the field of *psychology* is devoted to, among many things, to "employ[ing] empirical methods to infer causal and correlational relationships between psychosocial variables"[5] (i.e., quantify human behavior). The Board's reliance upon "our common sense logic" implies that the Board is making findings of fact as qualified psychologists with particular knowledge in how customer leads are acted upon. The Board, however, has not presented any evidence to support such a qualification. See 37 C.F.R. § 1.104(d)(2).

The following arguments were presented, in part, on pages 5 and 6 of the Request for Rehearing. Post KSR, the issue of using "common sense" in a rejection under 35 U.S.C. § 103 was addressed by the Federal Circuit within Perfect Web Tech. v. InfoUSA, 587 F.3rd 1324 (Fed. Cir. 2009). In Perfect Web, the Federal Circuit affirmed a rejection under 35 U.S.C. § 103 that relied upon "common sense." After discussing KSR, the Federal Circuit presented the following analysis regarding use of "common sense" in an obviousness rejection:

> Common sense has long been recognized to inform the analysis of obviousness if explained with sufficient reasoning. Our predecessor court stated in In re Bozek, an appeal from the Board of Patent Appeals and Interferences, that it was proper for a patent examiner to rely on "common knowledge and common sense of the person of ordinary skill in the art without any specific hint or suggestion in a particular reference." 416 F.2d 1385, 1390 (CCPA 1969) (quotation marks omitted). We later clarified that an examiner may not invoke "good common sense" to reject a patent application without some factual

[5] See http://en.wikipedia.org/wiki/Psychology. There are also a number of research papers directed to quantifying human behavior. See, e.g., "Quantifying Human Behavior," http://www.eceee.org/conference_proceedings/eceee/1995/Panel_4/p4_11; "Quantifying Human Behavior with Motion-Capture Technology," http://cacm.acm.org/news/95570-quantifying-human-behavior-with-motion-capture-technology/fulltext.

> foundation, where "basic knowledge and common sense was not based on any evidence in the record." In re Zurko, 258 F.3d 1379, 1383, 1385 (Fed. Cir. 2001). We explained that when the PTO rejects a patent for obviousness, it "must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency's conclusion." In re Lee, 277 F.3d 1338, 1344 (Fed. Cir. 2002).

As discussed by the Federal Circuit, even before KSR, the case law has not precluded the use of "common sense" by the Patent Office in making obviousness rejections. However, the use of "common sense" must have a factual foundation. Since the Examiner did not rely upon "common sense" (which has not been denied by the Board), the factual foundation for what constitutes "common sense" was not laid by the Examiner. Instead, the Board attempted to lay down that foundation. In so doing, the Board relied upon new facts and new legal arguments not advanced by the Examiner. Under Federal Circuit precedent, this constitutes a new grounds of rejection. Moreover, Appellants respectfully submit that the Board's failure to designate a new grounds of rejection constitutes manifest error.

PRAYER FOR RELIEF

Appellants are not requesting that the merits of the Board's Decision on Appeal be reviewed. Instead, Appellants respectfully request that the Board's rejection of claims 29-51 be designated a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). Alternatively, on the basis that Appellants have not had an adequate opportunity to respond to the precise basis upon which the Board's rejection is based, Appellants respectfully request that the present Application be remanded for reopening of prosecution before the Examiner.

Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 122158, and please credit any excess fees to such deposit account.

Date: December 18, 2012

Respectfully submitted,

/Scott D. Paul/

Scott D. Paul
Registration No. 42,984
Phone: (561) 922-3845
CUSTOMER NUMBER 52021